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PROGRAM The Big Story

STATION CNN-TV

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SUBJECT Can Anybody Keep a Secret?

DON MILLER: World attention focused this week on international espionage. In Berlin the East and West staged what one U.S. official called the biggest spy swap in history. In London's Old Bailey a trial began for seven British military men accused of giving away Western communications intelligence. In Los Angeles a fired FBI agent testified to his sexual liaison with an accused Soviet spy. And in Washington and countless FBI offices and Navy bases around the world, the investigation continues into a spy ring allegedly headed by John A. Walker, Jr.

As one revelation follows another, officials of the nation's military and intelligence communities are joining members of Congress in asking the question, "Can anybody keep a secret?" The Big Story this week.

The nation's newscasts and newspapers this week were full of reports about spies and spying. On Tuesday the headline story came from Berlin.

JIM MIKLASZEWSKI: What already looked like a good deal for the U.S. may be even better. The United States gave up four East Bloc spies. The other side released 25, in the largest spy swap since World War II.

Although details of those 25 remain secret, U.S. officials now indicate some may have played a significant role in U.S. intelligence behind the Iron Curtain.

But when the swap was first announced, former National Security Adviser Zbigniew Brzezinski suspected the East Bloc got the better part of the deal.

ZBIGNIEW BRZEZINSKI: The Soviets really work very hard to get their good agents out. And while I've not yet seen the full details of who was exchanged for what, I noticed that we traded four of their people for 25 of ours. My concern is that we probably traded four significant spies -- one of them is a serious spy, for a fact, an important spy -- probably for a bunch of part-time agents of secondary importance. And in my judgment, we should not make such exchanges.

We do have some fairly important people behind Soviet bars, and we should be holding out for them.

TOM BRADEN: You mean in order to get them back. Because the spies that we just released, the four that we sent across the bridge, are unlikely to come back as spies.

BRZEZINSKI: No. But that's not the point. We are trading people who are important spies, who are professional spies, who have importance within their intelligence networks, for people who probably are of secondary importance as spies to us.

BRADEN: We're trading Abel for Gary Powers.

BRZEZINSKI: That's right. And, you know, that's terribly important to the morale of an intelligence service. If you are in the Soviet intelligence service and you get caught, you know damn well that the Soviet Union is going to stand on its head to get you out. And that's very important to morale, motivation, and so forth.

If you're an American agent and you run high risks and you do something good for America and you're caught, the chances are you're going to be there for 25 years, if you're not executed.

BRADEN: Would you really say that? I trust your experience, but is that what an American spy thinks will happen?

BRZEZINSKI: Well, I don't know what he thinks, but I know that's what happens. In other words, we have not exerted ourselves enough, in my judgment, to spring our people out and to work particularly for those people who have run major risks for us and sacrificed a great deal for us.

MIKLASZEWSKI: But according to one State Department official close to the negotiations, Brzezinski, quote, doesn't know what he's talking about. The official said the group of 25 included some very good quality people; and that once Brzezinski was briefed, he won't say that anymore.

Brzezinski was briefed, and in a later statement

released by his office said, "I am now reasonably assured the arrangements were more equitable than originally feared."

U.S. intelligence officials refused to release any details concerning the identities or activities of the 25 released by the East. According to one CIA official, "We couldn't admit any of them were CIA agents. It could be a threat to their lives."

Senator Patrick Leahy of the Senate Intelligence Committee admits the U.S. gave up some important agents, but endorsed the deal.

SENATOR PATRICK LEAHY: Oh, I think that they're getting a significant four people. I don't think there's any question about that. But again, I'm satisfied that we made a fair swap.

MIKLASZEWSKI: Of the four spies released by the U.S., Marian Zaharski (?) appears to have inflicted the most damage to U.S. security. Zaharski was convicted in the theft of secrets from Hughes Aircraft in California and sentenced to life imprisonment in 1981.

Intelligence expert William Corson thinks Zaharski may have even been able to shed some light on the current Walker spy case.

WILLIAM CORSON: Mr. Zaharski was with the Polamco (?) Company. He also was the individual who ran an engineer by the name of William Holden Bell who worked for the Hughes Aircraft Corporation. And in that role, for some \$160,000, Mr. Bell provided material of very, very strategic importance to the Soviet Union, through the hands of Mr. Zaharski.

Now, much of that information dovetails with information that would have been provided to the Soviet Union by Johnny Walker Red Label. So we may have lost a potential witness in any future Walker trial, because now Mr. Zaharski has returned to the East.

MIKLASZEWSKI: The remaining three include Alfred Zehe, an East German convicted and sentenced to eight years last April. Penyu Kostadinov (?), a Bulgarian diplomat whose case was still pending. And East German Alice Mikkelsen (?), described as an intelligence courier, sentenced to ten years in prison.

CORSON: These actions are taken to facilitate some activity on the part of the Soviet Union. We usually end up with people of much less quality and caliber, in terms of intelligence..

The reference you made to the Power case. Power was --

Powers, rather, Gary Francis Powers, was merely a pilot of a U-2 airplane; whereas Colonel Abel, who became a Colonel-General in the KGB, was one of the top Soviet spies who have operated in this country in the last 50 years.

MIKLASZEWSKI: In the meantime, U.S. intelligence sources express some personal frustration over the entire spy swap affair. Said one official, "This is one case where we're entitled to blow our horns. And we can't even talk about it."

MILLER: There was another spy story with a foreign dateline this week. In London a trial began in a case involving theft of NATO communications intelligence data.

KEVIN DUNN: The seven defendants, five airmen and two soldiers, served on Cyprus with the Ninth Signals Regiment. At this base, the Crown alleged, they operated a spy ring from the heart of one of Britain's most secret listening posts.

From Cyprus, British intelligence monitors vital Soviet ship movements in the Black Sea and eavesdrops on the Middle East, one of the world's most volatile regions. Never more so than in 1982, when Lebanon was thrown into turmoil by the Israeli invasion and a wider conflict with Syria seemed imminent.

For the prosecution, Mr. Wright Cusey (?) said the servicemen had access to Britain's most precious military secrets and for two years they sold them for money, drugs and sex.

The ringleader was Senior Aircraftsman Geoffrey Jones, who sat in the corner of the dock. In February 1982 he was lured to a flat by a foreign agent, got drunk and high on cannabis, and was seduced by two Arabs. He was photographed and blackmailed. He too, it's alleged, was responsible for recruiting the others. He did this by organizing homosexual parties at which the defendants dressed up in women's tights and participated in orgies, laying themselves, in turn, open to blackmail.

The group was finally arrested after Jones broke routine regulations because of his infatuation with a Filipino singer. She was a member of a girl group who also provided sex for some of the defendants.

The prosecution said it wasn't clear who would receive the secrets which the servicemen had betrayed. But one of the agents they dealt with identified himself as a major in the Soviet KGB.

Because of the secrets involved, the case is continuing behind closed doors and it's expected to last at least until the autumn.

MILLER: But the major spy story of interest continues to be the so-called Walker family case. We'll look at the week's developments in that case in just a moment.

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REPORTER: When accused spy Arthur Walker returned to court, he heard FBI charges that he was aware that his brother John was spying for the Soviets. And FBI agent Beverly Andrus testified that he had told her that he had passed classified documents to his brother.

Defense attorney Brian Donnally (?) said Walker was not passing the documents to the Soviets, only to his brother. But Federal Magistrate Gilbert Swink ruled there was enough evidence to send the case to a grand jury.

Then there was the matter of bail for Arthur Walker. Defense attorney Samuel Meekins portrayed him as a model citizen. But the government said Walker possessed information that could be of value to the Soviets. Magistrate Swink apparently agreed and denied bail. Meekins was disappointed

SAMUEL MEEKINS: Under the circumstances of this case and the charge that was preferred and in place at this time, my client deserved bond.

REPORTER: And Arthur Walker's plea?

MEEKINS: Not guilty.

REPORTER: So Arthur Walker, like the other members of his brother's alleged spy ring, is back in jail.

Meanwhile, investigators continue their search to determine if there are others involved in the alleged spy ring.

JACK WAGNER: We are making progress, not only by the FBI, but with the assistance of the Naval Investigative Service, along with other agencies in the Federal Government. I do not know, nor will I predict, where our efforts will lead us.

REPORTER: Investigators are known to be studying the results of undeveloped film, video tapes, and computer disks seized from the home and office of John Walker.

CARL ROCHELLE: Damage in the Walker case has been very serious, but not catastrophic -- a top-level Navy assessment.

The most serious area of compromise, Navy communications.

Admiral James Watkins, Chief of Naval Operations:

ADMIRAL JAMES WATKINS: Because of John Walker's communications background and, in fact, that also of at least one or two of his cohorts, there's obvious high potential gain for the Soviet Union.

ROCHELLE: Gain in four key areas: intelligence on U.S. Navy air operations, including aircraft capability; anti-ship warfare, perhaps targeting information; anti-submarine warfare, its tactics and effectiveness at finding Soviet subs; and the vulnerability of the American strategic submarine force. All of it information which could help fill Soviet intelligence gaps.

On the critical question of vulnerability, the Navy insists our underwater nuclear deterrent is still safe.

ADMIRAL WATKINS: There is no indication that the Soviets have broke the code of how to detect our SSBNs. And therefore we remain convinced that our SSBN force is still 100 percent survivable.

ROCHELLE: Still, the Walker case has forced the Navy to make some changes in codes and procedures. Also promised, an acceleration of designs for new equipment.

There is also a message to Navy units worldwide calling for stringent new security measures. Included, an immediate 10 percent reduction in security clearances. The ultimate goal, 50 percent. And random security inspections of articles and papers carried to and from Navy ships and installations.

Secretary Lehman also proposed what Congress would have to approve, a major expansion of lie detector tests.

SECRETARY OF THE NAVY JOHN LEHMAN: We are not talking about what are called so-called lifestyle polygraphs, but a strictly limited set of questions that are limited to espionage.

ROCHELLE: The Vice Chairman of the Senate Intelligence Committee questioned Lehman's polygraph wish.

SENATOR LEAHY: It's kind of a lazy way if one's going to rely on the polygraph. And like all lazy methods, it's one that doesn't always work.

ROCHELLE: The Navy insists it expects no more surprises in the Walker case, no new exposes about what might have been given away to the Soviet Union.

Shortly after Secretary Lehman and Admiral Watkins met

with reporters, the Pentagon said it was establishing a commission to review security Defense Department-wide to identify weaknesses and vulnerabilities.

Attorney General Edwin Meese says he hasn't gotten any polygraph recommendations from Lehman, but says he shares the concern about security.

ATTORNEY GENERAL EDWIN MEESE: We're working with the various departments, and will be over the next few weeks, to review our entire protection system for classified information.

ROCHELLE: Republican Senator William Roth of Delaware, a past critic of Pentagon security procedures, said the problem of quantity must be emphasized.

SENATOR WILLIAM ROTH: I think last year something like 16 million items were classified. Now, the job of trying to protect that is almost impossible.

ROCHELLE: Questions of clearances and documents aside, there is the bottom-line issue of deterrence, using the fear of punishment to prevent espionage.

Defense Secretary Caspar Weinberger on Wednesday said he was asked recently what should happen to the Walker case suspects if they're found guilty. He said his immediate response was that they should be shot.

Capital punishment is not now permitted for espionage convictions in either military or civilian law.

BRZEZINSKI: The situation is extremely serious. And I think it's up to you people in Congress to do something about it. For one thing, the penalties are not stiff enough. I think we should have a very massive application of maximum penalties for cases like this.

MAN: Capital punishment?

BRZEZINSKI: Yes. When a single person can jeopardize national security for profit and place in jeopardy the lives of thousands of people, not to speak of American national security, he eliminates himself from the society, and should be treated accordingly.

MILLER: Coming up, a look at the possible motives for espionage and the classic techniques used by KGB agents to compromise a prospective spy.

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MILLER: According to government affidavits filed in court in connection with the Walker cases, money appears to have been a principal motive for espionage. But experts say agents of the Soviet KGB use other weapons, as well, to recruit and hold a spy.

ARNAUD DE BORCHGRAVE: Now, the incentive seems to be primarily money. But it's always a combination of what Stan Levchenko calls MICE, the acronym MICE, M-I-C-E. M for money, I for ideology, C for compromise, and E for ego.

LARRY KING: They're always involved? It's never just...

DE BORCHGRAVE: It's a combination. Because if I were to go to the KGB tomorrow -- and they did make an attempt to recruit me as a young journalist in Paris in the early '50s. But if I go voluntarily and say, "We are wrong. I've concluded that you, the Soviet Union, are right, and I want to put myself at your service," that's not good enough for them. They have to compromise you. So that two years from now if you change your mind, you can't walk away from them.

As this fellow testified on Nightline the other night, you know, who's serving time out in California -- what's his name? Boyce, I believe. And he said there's no way out. You think it's very glamorous when you get into the spy business, and suddenly you find yourself in a dark room falling down a dark hole, and there's no turning back.

We are in a totally open democratic society. And if you were a KGB agent or a KGB proxy agent in this country, it would really be, relatively speaking, a piece of cake.

I've frequently said on the air that if I were working for the KGB, I'd probably be spending five days a week in Palm Beach sunning myself and two days a week working, and still getting congratulatory messages from Moscow.

MILLER: Details of an alleged KGB recruitment operation began unfolding this week in a Los Angeles courtroom, where a federal jury watched FBI surveillance tape of a meeting between a former FBI agent and accused spy Svetlana Ogarodnikov.

[Clip of tape]

RAY SUAREZ: Miller said he had been warned by his fellow agents, who said, "Proceed with caution." Svetlana Ogarodnikova, accused of spying for her homeland, was said to be unreliable, unstable. But Richard Miller, who's revealed in his testimony that he had hit bottom in his long FBI career, went

ahead with their meetings, which resulted in sex after the second time they met.

Miller said the Russian woman was distraught. A few days before during a visit to the Soviet Consulate in San Francisco, she had been ordered to return to Russia on a mission for Soviet military intelligence. Miller said he consoled Svetlana and sought sympathy from her, in turn.

Miller had been suspended from the FBI L.A. office, threatened with firing if he didn't get his weight down. Miller was also dogged by money problems. And during tough questioning by Assistant U.S. Attorney Bruce Merritt, Miller was forced to reveal he was far from a model G-man. He stole money from his wife's grandmother, skimmed FBI cash off the top of payments to informers, bounced checks, and violated FBI rules by selling criminal records to a private eye.

Money has become the driving force behind the prosecution's case. Miller's life was dissected with surgical skill, revealing money problems which at times threatened his house, and at others forced the \$50,000-a-year agent to sell Amway products from his FBI car.

While listening to an FBI surveillance conversation with another woman with whom he was having an affair, the court heard Miller say, "You're talking to a man who loves money, who makes a good salary, but can't make it."

Before Miller would agree to testify in the Russian couple's trial, he had to be given what's called use immunity. That means whatever he says in these proceedings can't be used against him when his own turn comes to face a jury.

MILLER: According to intelligence experts, the Soviet Embassy in Washington is a major base for KGB operations in the United States. About two months ago, a Soviet diplomat identified as a KGB agent by U.S. intelligence experts had lunch with CNN investigative reporter Joe Trento.

JOE TRENTO: What you're looking at is a video tape taken with hidden cameras of a Soviet named Vladimir Bruznitsyn (?). Bruznitsyn's cover job is as the deputy Soviet information officer here in Washington. But intelligence experts tell us Bruznitsyn is a Soviet KGB agent. They say that the meeting you are seeing is the first step in his attempt to recruit me to work for the Soviet cause.

To me, it seemed like an uneventful conversation. Bruznitsyn talked about his days as a University of California exchange student at Berkeley.

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VLADIMIR BRUZNITSYN: And when I came to the city and saw the quiet, very quiet campus...

TRENTO: Nothing like you expected, huh?

BRUZNITSYN: Without any violence, without any riots.

CORSON: Well, we're all fellas, we're all friends. We're all friends. They're just fellas. They're nice guys. And he's wearing, obviously, a Joseph -- not a Joseph A. Banks, but he's wearing a Henry Dash's blazer and slacks and a proper shirt. He likes Miller Lite. Just a fella. Just like you and I.

But he's a trained Soviet intelligence officer.

TRENTO: Dr. William Corson should know. He's spent most of his life fighting the Soviet KGB around the world as a Marine officer assigned to the CIA. Now he and Robert Crowley, a longtime CIA official whose face we cannot show, have written a new book, The New KGB: Engine of Soviet Power. The work is based on their combined 70 years' experience of battling the Committee for State Security.

They alerted me prior to my meeting with Bruznitsyn, outlining the approach he would take. They said after opening with small talk, the KGB officer would get my views on more serious issues. They turned out to be right.

CORSON: This is a Soviet operation designed to find out if they can establish an agent in place. It doesn't mean that you will know that you're working for the KGB. Somebody's going to help you.

TRENTO: Corson and Crowley believe that because I've reported on scientific intelligence in the past, the KGB officers believe I might be a source for information on the Star Wars program.

We learned the KGB officer was trained in physics. During lunch he asked me about Reagan's strategic defense proposal, SDI, also known as Star Wars.

BRUZNITSYN: What do you think about this SDI?

TRENTO: According to Corson and Crowley, Bruznitsyn will prepare a report and send it to KGB headquarters in Moscow, known as the Moscow Center.

CORSON: You can make book that he and Stanislav Androsov (?), the resident, got together and they looked at it because they're making recommendations and they're seeking additional advice from the Center. So at the next meeting, the

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next lunch, dinner, whatever you want to call it, there will be a more precise agenda.

TRENTO: Of course, we don't know if there'll be another meeting with Bruznitsyn, especially after this program runs.

MILLER: Intelligence experts warn Americans had better take the KGB threat seriously.

CORSON: The lines and the organization were established beginning in 1967, the new KGB, by Yuri Andropov. Yuri's boys are in charge. Viktor Chebrikov is the head of the KGB, and Vitaly Fedorchuk is the head of the MVD. And we better pay attention because, as the Russians say, these are [Russian expression], these are serious matters. And if we don't get serious, Walker will just be one little blip on a radar of continuing disasters.

MILLER: As the tales of espionage unfold in the nation's courtrooms, newscasts and newspapers, the question remains to be answered: Can anybody keep a secret?